Neighboring builder plows new ground



By Steve Andrews

A round man cannot be expected to fit in a square hole right away. He must have time to modify his shape.

-Mark Twain

Steve Andrews

If everything is coming your way, you're in the wrong lane.

-Murphy's Laws)

rtistic Homes is New Mexico's largest builder. Last year they sold 689 homes, priced between \$80,000 and \$115,000, to first-time buyers. Despite all the national-level market uncertainties, they're on target to sell about 1,000 this year.

A 50 percent increase? In one year? Why?

Until last year, Artistic Homes' sales represented the largest chunk of builder participation in New Mexico's Green Builder Program. But after a year of rethinking the issues, plus some travel and new study, Artistic Homes President Jerry Wade decided to go in a different direction. Soon thereafter, the Central New Mexico Home Builders Association joined him.

Today, every home that Artistic Homes sells meets the rigorous Building America program standard. That new standard is now the minimum entry threshold for Central New Mexico HBA builders who participate in what used to be their green builder program. And every home gets tested and certified.

Why they changed

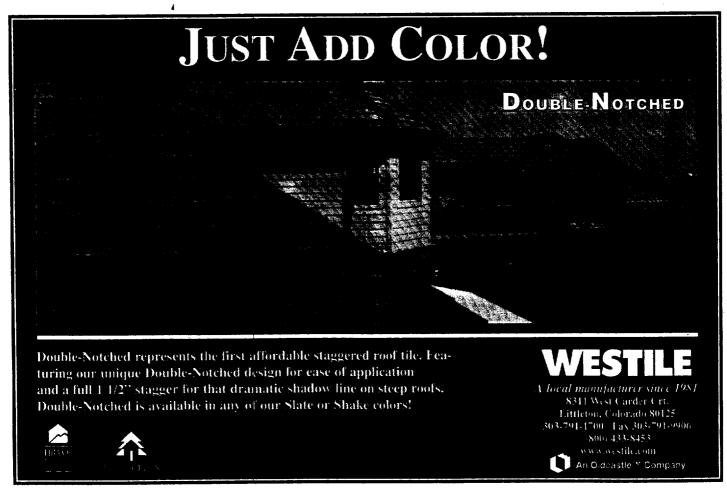
"We were the only production building in the Green Builder program, so it wasn't really going anywhere," said

Wade, "We mentioned to the HBA Board of Directors that we were looking around the country, trying to find a better standard to build to. We thought our program had too much window dressing and not enough buyer benefits. The HBA board decided to upgrade the program, reach more builders and establish more credibility in the marketplace."

"We looked closely at Tucson's program, but it didn't quite fit for us. Then we heard about the Department of Energy's Building America Program. Their consultants could take our plans and tell us what changes we needed to make to build the best house on the market that would still be affordable to the first-time home buyer."

Wade liked the idea, so Artistic Homes built some test houses. "We liked the results even more. The homes were super comfortable and energy effi-

see ENERGY page 15



cient. So we made the commitment to build all our houses to the new standard. Now it's helping us capture more of the market, because there is nothing better being built out there.

"We took the Building America program to the Central New Mexico Home Builders Association and said they ought to switch from the green program to this," said Wade. "Building America agreed to sit down with the HBA and come up with some guidelines and provide training for builders and consumers. We insisted that their system couldn't be watered down. A number of builders wanted to ride this wave but not do every house this way. We were dead set against having different levels, or that builders would build some homes this way but not all of them."

Learning curve

"Nobody wants to say, 'We've been doing it wrong all these years,' and yet we have," said Wade. "We have succeeded in building houses that are unhealthy."

With what he has learned during the past year, Wade is concerned that a few builders might adopt some of the Building America measures without a systems-like understanding of the possible implications. "If you seal up a house like we do now, without an exhaust fan but with a standard water heater and furnace, people could get sick and even die (of carbon monoxide poisoning). Tightening up does save energy, but if you kill somebody, that's not good. So either do it right, or don't do it at all.

"The Building America standard is the biggest change in the construction industry since 1965, when I started building," said Wade. "This isn't easy. In fact, it's a total pain in the ass. There's a big learning curve that goes along with it. It's been tough on our subs. You have to retrain your framers, plumbers, electricians, everyone. And all along the way there is resistance to these changes, because we're creatures of habit. We all say, 'It's been good enough for decades; why change now?'

"It takes a while to grasp the concepts. For people who know construction, 85 percent of them will look at the idea and say 'we can do that.' But it won't be that easy because there are too many people involved. In my mind, we'll still be a

baby at this for another year. We'll need the consultants' help during that time. Then we can be weaned."

Don't codify

Wade wouldn't want to see the Building America standard made code. "There are only so many people in this nation who have the knowledge to teach others how to build this way. If the government said this is code, it would shut us down because there aren't enough people who know how to do it right. So it wouldn't be done right and inspectors wouldn't know.

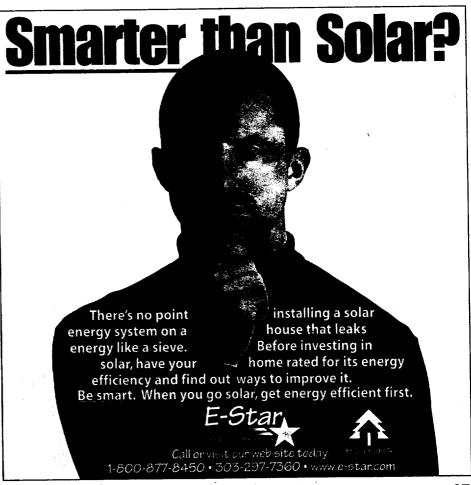
"In fact, we've had inspectors say 'no way any of this will work.' But they have faith in us as builders, so they have gone along with it. We have one inspector who is planning to build his own house, and he attended Building America's monthly seminar. Well, last night he said, 'Now I know what you've been talking about. Now that I know better, I'm sold."

Getting the word out

"We've had to retrain our sales people, too," said Wade. "We have some going through every seminar. If sales people don't know about it, they can't use it. Our sales people now have a list of 20-some items that are a standard part of this new building process. We tell potential buyers to use it when shopping the competition, and they do.

"By now, the word has gotten around. During the last four or five months, over 1,000 consumers have come to one of the monthly seminars Building America puts on. Because our competition is getting hammered by customers and their questions, more builders are showing up every time Building America sponsors one of their seminars for builders. We had about 50 builders attend last night, and we have eight or nine signed up for the program. This information is sinking in. So any builder with anything be-

see ENERGY page 20



Experts in Construction Lending

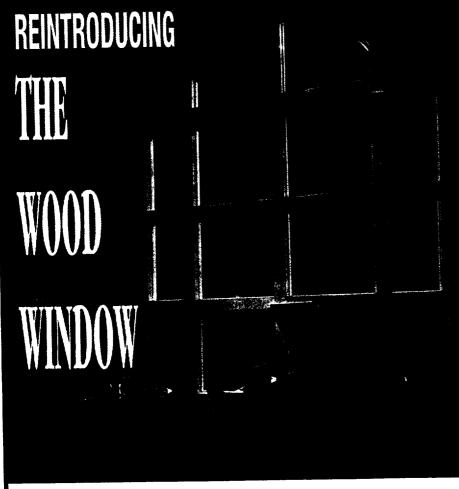
- Residential and Commercial Construction
- A&D of Individual Lots for Subdivision
- Custom Home Building Loans
- Home Improvement Loans
- Builder Lines of Credit
- Project Approval

Call Brent Stark at 303-365-3624 or Joanne Sherwood at 303-365-3724

We provide individual Construction Loans

> "serving the Metro area"

CITYWIDE BANK
Banking with the Human Tol



NOT EVERYTHING HAS TO BE A TRADEOFF. A big name won't keep the weather out, but a quality window will. Spend your money on great windows, not great national advertising.



DISTRIBUTED BY



wood window division (303) 355-6300

The best windows you've never heard of!

ENERGY

FROM PAGE 15

tween the ears, he knows lawyers are going to take everything he's got if he fiddles around and keeps doing the same thing, especially if he builds a little tighter but doesn't change other things."

New features

"It's been our goal to make an improvement every year, and this is our biggest improvement ever," said Wade. "It starts out with drawing. We've had to do some redesign on every one of our 16 sets of plans. And from this, we've learned that there aren't too many who really know how to draw a correct set of plans."

The list of Artistic's new features is lengthy. It starts with advanced framing: two-by-sixes at 24-inch centers, with cavities blown full of fiberglass insulation. Advanced, low-e vinyl windows cut down the heating and cooling loads. Construction gets tested to make sure all the tightness features were properly installed. Space heating is provided by water heaters. All ductwork, carefully sealed, is hooked up to an air-to-air heat exchanger that does triple duty: it circulates fresh air, heated air and cooled air.

"It takes a lot more precision—you have to do everything right," said Wade. "With all that, it costs us between \$2,500 and \$3,000 per house. The biggest cost is having to switch from swamp coolers to refrigerated air. But now, after some experience building this new way, some costs are coming down."

Wade's bottom line

"We're tickled to death about this program," said Wade. "We're getting great support. Now I'm building the best house I know how to build. Our buyers are moving into \$80,000 houses that are more comfortable and have cleaner air than the \$400,000 home I live in today. This is benefiting consumers. I feel good about that.

"Our sales are way up this year over last. I'd be in a world of hurt if my three sons—Tom, Roy and Max—weren't out there getting the new changes in place that make all these innovations possible."

Confirmation

Is Wade way out on a limb here? Not according to Jim Folkman, executive di-

see ENERGY page 21

ENERGY

FROM PAGE 20

rector of the Central New Mexico HBA.

"We started our green building program about three years ago," said Folkman. "We borrowed the best ideas we could from existing programs like Austin's and yours up in Denver. Last year, we came to realize we were risking a little green-washing. We decided we needed to add more substance.

"What Jerry's doing is a remarkable story. This is a very rigorous new approach. We require that every house is tested, then certified. Jerry is even guaranteeing utility bills. He has a lot at risk.

"A lot of people are starting to understand that this is a huge paradigm shift," Folkman explained. "The systemic whole here is greater than the sum of its parts. All parts have to work together. You have to do certain prescriptive things, but it's primarily a performance-driven program."

The transition from CNMHBA's past program to adoption of the current program hasn't been easy. Folkman acknowledged a rift in the membership between production and custom builders. "Some say the new program is unfair and too expensive. A number of custom builders say, 'Jerry just has to figure out the new details for his plans one time, but once he figures it out he can do it repeatedly. We have to figure it out every time from scratch.' These builders understand the criteria, but realize that knowing the standard and implementing the details is another thing. It remains to be seen how fast this will move forward with other builder members."

Folkman said that while the HBA developed the criteria, the entire program has relied heavily on the training provided to builders and consumers by the Building America consultants. He estimates the related costs in the neighborhood of \$100,000. Wade hopes their training budgets aren't cut until Albuquerque builders and trade contractors are better trained and more consumers are informed about the new program's benefits.

Steve Andrews consults with builders for E-Star Colorado and writes on energy issues (sbandrews@att.net). E-Star, at 303-297-7470 (www.e-star.com), is a non-profit home energy rating system that works with both new and existing homes statewide.

